

CALIFORNIA ENERGY COMMISSION

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May 11, 2005

Lisa G. Urick
San Diego Gas and Electric Company
101 Ash St., 13th Floor
San Diego, CA 92101

**Re: Energy Commission Order Denying SDG&E's Appeal of Executive
Director Determinations Denying Confidentiality – Electricity Demand
Data; Docket: No. 04-IEP-01-D**

Dear Ms. Urick:

Attached is a copy of the Energy Commission's Order denying San Diego Gas and Electric Company's appeal of the Executive Director's decision denying confidentiality for demand information Strategic submitted on February 2, 2005. Although the Order is dated April 13, 2005 -- the day of the Business Meeting at which the Energy Commission heard and decided the appeal -- I want to assure you that because the Order was not docketed until today, the Energy Commission will protect the disputed information from release for fourteen days from today. Please do not hesitate to contact me if you have any questions.

Very truly yours,

Caryn J. Holmes
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STATE OF CALIFORNIA

Energy Resources Conservation and Development Commission

In the Matter of:)	Docket: 04-IEP-1D
)	Order No: 05-0413-16
Preparation of the 2005)	
Integrated Energy Policy Report)	Date: April 13, 2005
_____)	

Order Denying San Diego Gas and Electric Company's Appeal of Executive Director Decision Denying Confidentiality

SUMMARY

On November 3, 2004, the California Energy Commission (Commission) adopted Forms and Instructions identifying demand forecast data that certain load-serving entities (LSEs) must provide, in order for the Commission to meet its statutory mandate to prepare the 2005 Integrated Energy Policy Report (2005 IEPR). (Pub. Resources Code, § 25302.) The data was due on February 1, 2005. On that date, San Diego Gas and Electric Company (SDG&E) filed the data, and included an application for confidential designation of information contained in Forms 1.3, 1.4, 1.5, 1.6 and 2.3 for a period of at least three years.¹ Pursuant to the Commission's regulations (Cal. Code Regs., tit. 20, § 2505), the application was reviewed by the Executive Director, who granted it in part and denied it in part on March 3, 2005. On March 17, 2005, SDG&E appealed to the full Commission contesting the Executive Director's denial of SDG&E's confidentiality request for Forms 1.3. – 1.5. The Commission heard the appeal at its April 13, 2005, Business Meeting. Based on SDG&E's application and appeal, the Executive Director's March 3, 2005 determination, and the information provided at the Business Meeting, the Commission hereby denies SDG&E's appeal.

LEGAL FRAMEWORK

Public Resources Code sections 25301 and 25302 direct the Commission to assess all aspects of energy supply, production, transportation, delivery and distribution, demand, and prices, and to develop policies that conserve resources, protect the environment, ensure reliability, enhance the economy, and protect public health and safety. In order to carry out the assessments identified in Public Resources Code sections 25301 and 25302, Public Resources Code section 25301 authorizes the Commission to "require submission of demand forecasts, resource plans, market assessments, and related outlooks from electric . . . utilities . . .". Title 20, California Code of Regulations, section 1345, specifies that each electric utility shall provide a demand forecast "according to forms and instructions adopted by the Commission."

The Public Records Act (Gov. Code, § 6250 et seq.) states that "access to information concerning the conduct of the people's business is a fundamental and necessary right of every

¹ A description of each of the Forms and a glossary of energy terms is included as Appendix A to this Order.

person in this state.” (Gov. Code, § 6250.) The Act establishes a general principle that every person has the right to inspect any “public record,” subject to various exceptions. (Gov. Code, § 6253.) Public records are broadly defined, and include “any writing containing information relating to the conduct of the public’s business prepared, owned, used, or retained by any state or local agency regardless of physical form or characteristics.” (Gov. Code, § 6252.) In addition, the state Constitution now directs that statutes and regulations shall be broadly construed if they further the people’s right of access, and narrowly construed if they limit the right of access. (Cal. Const., art. I, § 3, subd. (b)(2).)

One of the exceptions to the Public Records Act’s general rule of disclosure is for “trade secrets.” Government Code section 6254 (k) allows agencies to withhold “records the disclosure of which is exempted or prohibited pursuant to federal or state law, including, but not limited to, provisions of the Evidence Code relating to privilege.” One such “federal or state law” is the Uniform Trade Secrets Act (Civ. Code, § 3526 et seq.), a California law that prohibits the release of trade secret information and provides for injunctive relief and damages as remedies. Another is California Evidence Code section 1060, which states that “the owner of a trade secret has a privilege to refuse to disclose the secret, and to prevent another from disclosing it, if the allowance of the privilege will not tend to conceal fraud or otherwise work injustice.” A “trade secret” is:

information, including a formula, pattern, compilation, program, device, method, technique, or process, that:

- (1) Derives independent economic value, actual or potential, from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use; and
- (2) Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

(Civ. Code, § 3426.1, subd. (d).) In addition, agencies may withhold records not exempt from disclosure under a specific Public Records Act exemption when the agency finds, on the facts of the particular case, that the public interest served by not disclosing the record “clearly outweighs” the public interest served by disclosure of the record. (Gov. Code, § 6255, subd. (a).)²

Title 20, California Code of Regulations, section 2505 allows private parties submitting information to the Commission to file an application for confidential designation of that information. If the basis of the claim for confidentiality is that the information contains trade secrets or would otherwise cause loss of a competitive advantage, the application must state the specific nature of that advantage and how it would be lost, including the value of the information to the applicant and the ease or difficulty with which the information could be legitimately acquired or duplicated by others. Section 2505 requires the Executive Director, in consultation with the Chief Counsel, to issue a decision on the application within 30 days, and to grant the

² Both the “trade secrets” exemption and the “balancing test” are also reflected in Public Resources Code, section 25322, which is part of the Warren-Alquist Act, which created the Commission. (Pub. Resources Code, § 25000 et seq.)

application if the applicant makes “a reasonable claim” that the Public Records Act or other provision of law authorizes the Commission to keep the record confidential. Appeals of confidentiality must be filed within fourteen days of the Executive Director’s decision, and the Commission must decide an appeal within four weeks of its filing. (Cal. Code Regs., tit. 20, § 2505, subd. (a)(3)(B).)

PROCEDURAL HISTORY

On February 1, 2005 SDG&E provided the electricity demand forecast information identified in the Commission’s November 3, 2004 Order, along with an application for confidential designation of information contained on Forms 1.3, 1.4, 1.5, 1.6, and 2.3 for a period of at least three years. SDG&E’s application stated that there are several reasons to conclude that the peak demand forecast portion of the information identified in its application contains competitively and commercially sensitive business and resource planning information and trade secrets. First, SDG&E asserted that the information, in conjunction with other publicly-available sources, would allow others to calculate SDG&E’s supply needs, including “residual net short” (i.e., the amount of demand SDG&E needs to meet, minus supplies available to meet that demand), on a monthly and hourly basis, thereby negatively affecting sales or purchases by SDG&E. Second, SDG&E stated that release of this information would allow others access to information not normally available. SDG&E also expressed concern that third parties, such as customers, might rely inappropriately on the rate information on Form 2.3 to their detriment. SDG&E offered potential community choice aggregation as an example of such a situation.

SDG&E also addressed the public interest in protecting the information, stating that disclosure of the information would allow buyers and sellers to ascertain periods of time when SDG&E needs to sell or buy energy, diminishing SDG&E’s ability to contract at the best possible prices. SDG&E also asserted that it is important not to reveal rates by customer class, which would allow the utility’s competitors to focus on certain SDG&E customers.

On March 3, 2005, the Executive Director granted SDG&E’s request for Form 1.5 demand forecast data setting forth “1-in-5”, “1-in-10”, and “1-in-20” temperature scenarios (i.e., those that can be expected to occur once in every 5 years, every 10 years, and every 20 years, respectively). The Executive Director also granted confidentiality for the hourly load forecast in Form 1.6 for a term of three years, finding that the information can be used to calculate hourly “residual net short” forecasts, which would, by providing information about how much power SDG&E needs at particular times of the year, give SDG&E’s sellers and buyers a negotiating advantage. However, the Executive Director concluded that the remaining data on Form 1.5 and the data on Forms 1.3 and 1.4 are not entitled to confidential treatment because the *annual* net peak numbers are insufficient to arrive at *hourly* net short forecasts.³ The electricity and gas price forecasts in Form 2.3 were deemed public as a result of an earlier Commission proceeding.

On March 17, 2005, SDG&E filed an appeal of the Executive Director’s decision denying confidentiality for data on Forms 1.3, 1.4, and 1.5. SDG&E asserted that the information in

³ While the Executive Director’s determination stated that information about hourly loads could provide a competitive advantage to bidders, the Commission itself has not addressed this issue. In any event, the question before us is whether the annual peak demand numbers can be used to derive hourly “residual net short” and IOU resource needs, not whether hourly “residual net short” is entitled to confidential designation.

Forms 1.3, 1.4, and 1.5, in conjunction with other publicly available data, could be used to calculate the hourly load data on Form 1.6 for which the Executive Director granted confidentiality. SDG&E also claimed that annual “residual net short” can be calculated from the information contained on Forms 1.3 and 1.4. SDG&E also stated that its generation profile is easy to compile through publicly-available information, and that this information can be used to calculate SDG&E’s “residual net short” position on a monthly and hourly basis. Fundamentally, SDG&E believes that the more suppliers understand SDG&E’s energy needs, the greater opportunity they have to charge maximum prices to the detriment of SDG&E ratepayers. SDG&E also expressed concern that the March 3, 2005 Executive Director’s determination did not address question of public interest in non-disclosure of the information.

On April 13, 2005, the Commission conducted a hearing on SDG&E’s appeal. At the hearing, the SCE attorney, speaking on behalf of the three investor-owned utilities (IOUs) that filed confidentiality appeals -- SDG&E, Pacific Gas and Electric Company (PG&E) and Southern California Edison Company (SCE) -- clarified *that the sole issue on appeal was the confidentiality of bundled customer annual peak*. (4/13/05, Reporter’s Transcript (RT), p. 69.) The SDG&E representative stated that he believed that providing entities who sell energy to SDG&E with certain information has “a high probability of being bad for my customers.” (4/13/05, RT, p. 96.) Other IOUs provided more extensive comments. PG&E and SCE, whose position in the market is similar to that of SDG&E’s, offered explanations about why the peak demand data on Forms 1.3, 1.4, and 1.5 is sensitive.⁴ Specifically, the attorney for PG&E stated that there is publicly-available supply information, such as nameplate capacity and Qualifying Facility contract terms that allow other market participants to use the annual peak data and estimates of the amount of supply available to compute the deficit for which utilities need to procure under those demand conditions.⁵ (4/13/05, RT, p. 76.)

However, Commission staff pointed out that the question is not whether disclosure of this information would allow other market participants to use other publicly-available data to calculate the gap between supply and demand at one (unspecified) point in the year – noting that there is some publicly-available data on *both* supply and demand in other forums. (4/13/05, RT, p. 77.) Rather, the question is whether the information can be used to calculate specific hourly “residual net short” and thereby identify the types of resources the IOUs need. (*Ibid.*) Staff analyst Dr. Michael Jaske stated that he “was not convinced in all the discussions I’ve had with the utilities that knowing the supply/demand gap for a single peak hour . . . allows generators . . . to know what magnitude of resources they’re going to acquire, when they’re going to acquire them, the kind of resources they’re going to acquire.” (*Ibid.*) Dr. Jaske also pointed out that IOUs have options for meeting peak demand in addition to purchases from third parties. (*Id.* at 78.)

DISCUSSION

We begin our discussion by noting that the Public Records Act was intended to safeguard the accountability of government to the public. (*San Gabriel Tribune v. Superior Court* (1983) 143

⁴ Several energy service providers also participated in the hearing, but because they are not regulated monopolies, their position in the market is not as similar to SDG&E’s as that of the other IOUs, which are regulated monopolies.

⁵ Qualifying Facility contracts are a type of contract entered into pursuant to federal law under which certain generators were allowed to sell their electricity output to the local utility at publicly-available avoided cost rates.

Cal.App.3d 762, 771-772 [192 Cal.Rptr. 415].) Because it serves this important public interest by securing public access to government records, it is construed broadly in favor of access, and exemptions from disclosure are construed narrowly. (*Rogers v. Superior Court* (1993) 19 Cal.App.4th 469, 476 [23 Cal.Rptr.2d 412].) The Commission is using the data that is the subject of this appeal to set important state energy policy, including both how much (and what kind of) electrical generation and transmission is necessary for the state's future. We believe there is a strong public interest in having the information underlying such policy decision-making accessible to the public and interested parties, rather than using a "black box" process not subject to public discussion or critique. This makes it all the more important that the Commission critically assess the general claim that information used in this process is a "trade secret" that derives economic value from not being made public. As can be seen in the discussion below, we have decided that the peak demand data at issue in this appeal has no such value and, moreover, that its confidentiality would prevent interested persons from effectively participating in the Commission's public process.

Annual Peak Data – Forms 1.3 and 1.4

Annual peak data identified on Forms 1.3 and 1.4 consist of the amount of demand in the hour of the year with the highest demand. (Electricity Demand Forecast Forms.) Thus, the data for which confidentiality is sought is a single number, and has no particular time or date associated with it. SDG&E claims that disclosure of this data, in conjunction with other publicly-available supply data, could allow market participants to derive the amount of electricity SDG&E will need to buy, impairing its bargaining position relative to other market participants.

Resolving this issue involves answering two questions. The first is whether disclosure of the annual peak data on Forms 1.3 and 1.4 would allow other market participants to derive the amount of electricity SDG&E will need to purchase. There appears to be no dispute that other market participants will be able to derive *some* estimate of how much total electricity is needed at the (unspecified) hour of annual peak using this data. However, that answer does not justify confidentiality. The second, and more important, question is whether knowledge of the extent of the gap between supply and demand during the single hour of highest demand – without knowing when that hour will occur -- affects the bargaining power of SDG&E vis-à-vis its potential suppliers (and purchasers). The answer is no, for several reasons. First, data similar to that on Forms 1.3 and 1.4 is already publicly available, so the disclosure of Forms 1.3 and 1.4 would have a minimal effect at most. Second, the lack of specificity about *when* the hour of highest demand will occur and the lack of information about the similarity to or difference between that hour and any other hour during the year substantially diminishes the value of the information. In this regard, particularly telling was SDG&E's failure to demonstrate, in response to Commission staff's request, how disclosure of the contested annual peak demand data would allow a potential negotiator to calculate hourly "residual net short." Third, and most significant, is the fact that potential sellers market a variety of products to SDG&E that vary by price, by location of electricity delivery, by the duration of the contract, and by the amount and type of electricity purchased. In addition, IOUs have options for meeting peak demand in addition to purchases from third parties. (*Id.* at 78.) Therefore, knowing a little more about the level of peak demand in one unspecified hour is very unlikely to have a material effect on the prices bid for such complex contracts. Finally, we are mindful that the California Constitution requires us to narrowly construe our regulations if they limit public access to information. (Cal. Const., art. I, § 3, subd. (b)(2).)

In light of these factors, we simply are not convinced that disclosure of the information on Forms 1.3 and 1.4 would cause a significant shift in bargaining power between SDG&E and other market participants. As a result, there is thus no “economic value” that SDG&E obtains from nondisclosure and the data does not constitute a trade secret. In light of that fact, SDG&E has also failed to demonstrate that the public interest served by not disclosing the record “clearly outweighs” the public interest served by disclosure of the record.

“1-in-2” Response to Temperature Data – Form 1.5

The “1-in-2” temperature data indicates the peak demand forecast under warm weather to be expected 50 percent of the time. (*General Instructions For Demand Forecast Submittals*, p. 7) A peak demand to be expected 50% of the time represents an average peak demand and is thus expected to be the same as the annual peak demand identified on Forms 1.3 and 1.4. Therefore, the Commission believes the same discussion provided above for that data is equally applicable to the “1-in-2” temperature data on Form 1.5. In addition, we note that the Commission collected and made available this type of data from the utilities in the past, and we believe that the range of sensitivity to average weather under summer peak conditions is well understood by market participants. As such, its disclosure will not affect the bargaining position of SDG&E and potential sellers.

FINDINGS OF FACT

1. On February 1, 2005, SDG&E filed Electricity Demand Forecast Forms 1.3, 1.4, 1.5, 1.6, and 2.3 with the Commission for use in the Commission’s 2005 Integrated Energy Policy Report proceeding. SDG&E included an application for confidential designation for information contained on those Forms for a period of three years.
2. On March 3, 2005, the Commission’s Executive Director determined that SDG&E, in its application for confidentiality, did not make a reasonable claim that the data on Forms 1.2, 1.3, 1.4, and data other than the hourly load forecast on Form 1.6 and the “1-in-5”, “1-in-10”, and “1-in-20” temperature data on Form 1.5 are trade secrets, specifically stating that the public data on Forms 1.2, 1.3, and 1.4 are insufficient to arrive at hourly net short forecasts. In addition, the electricity rate forecast information on Form 2.3 was deemed public because the Commission had so determined in an earlier phase of this proceeding.
3. On March 17, 2005, SDG&E filed an appeal of the Executive Director’s denial of confidentiality with respect to coincident peak demand on Form 1.3, distribution area peak demand on Form 1.4, and “1-in-2” temperature data on Form 1.5, stating that the information, when combined with other publicly-available data, disclose net capacity needs at peak.
4. On April 13, 2005, the Commission held a hearing on SDG&E’s appeal. Comments were provided by Commission staff, SDG&E, and other load-serving entities, including both other investor-owned utilities, and energy service providers.

5. The annual peak demand forecast data on Forms 1.3 and 1.4 identify only the amount of demand for the single hour of the year with the highest demand, and by themselves, provide no information about *when* peak demand will occur, or the relationship of that hour to any other hour of high demand.
6. The “1-in-2” temperature data indicates the peak demand forecast under warm weather to be expected 50 percent of the time. This is expected to be the same as the publicly-available annual peak demand identified on Forms 1.3 and 1.4, as it represents an “average” peak demand. In addition, the Commission collected this type of data from the utilities in the past, and the range of sensitivity to average weather under summer peak conditions is well understood by market participants.
7. There is publicly available historical data -- such as annual peak demand data published by SDG&E, historic hourly load data available from the Federal Energy Regulatory Commission (FERC), annual peak demand forecasts posted on the California Independent System Operator, and information provided by SDG&E at the Commission’s March 21, 2005 Summer Outlook workshop -- that is similar enough to the data for which confidentiality is sought so that analysts familiar with the energy market could make close approximations to the data SDG&E seeks to have designated as confidential. Specifically, SDG&E itself makes public various peak load data in its transmission planning studies and in other forums.⁶ FERC publishes data on annual hourly loads submitted to it as part of FERC form 714.⁷ The California Independent System Operator publishes peak load data as part of its annual grid planning studies as well as assessments for specific transmission projects.⁸
8. The amount of electricity SDG&E needs to buy for any particular hour is related to the difference between the amount of demand at that hour and the amount of all other energy that SDG&E can deliver to its customers (which can be obtained from its own generation resources, from contracts whose terms are confidential, and from contracts whose terms are publicly available). In addition, SDG&E can utilize demand response programs to reduce demand at peak. Therefore, significant additional information is needed in addition to peak electricity demand to ascertain SDG&E’s energy needs for the hour of the year with highest demand. Similarly, even if energy needs for that hour could be ascertained, additional information would be needed to determine energy needs for other hours of the year.
9. Sellers market a variety of short-term and long-term resources electricity products to SDG&E that also vary by the location of where the electricity is delivered and the type of energy provided. The sale of these products does not depend solely on the single hour of

⁶ SDG&E itself published peak demand data for its customers as part of a public presentation made at a Commission hearing on short term demand forecasts and weather sensitivity. See presentation by SDG&E at the Commission website docketing materials for the March 21, 2005 workshop in Docket No. 05-SDO-1:

http://www.energy.ca.gov/2005_summer_outlook/documents/2005-03-21_workshop/comments/SDG&E_CMNT_032105.PDF

⁷ Published annually on the FERC website: Example for calendar 2003 within the WECC file is shown at <http://www.ferc.gov/docs-filing/eforms/form-714/data.asp>

⁸ Published on the CAISO website as part of the 2004 annual grid planning studies in Table B3: <http://www2.caiso.com/docs/2005/02/02/2005020214582925971.pdf>

the year with the highest demand. Even if the data for which SDG&E seeks confidentiality, in conjunction with publicly-available supply information, were to allow identification of when the hour of the year with the highest demand will occur, sellers would not be able to use this information to charge higher prices for their products (or buyers to offer lower prices), because of the numerous other factors that affect electricity sales contracts. Therefore, disclosure of annual electricity peak demand data does not provide economic value to entities buying energy from or selling energy to SDG&E.

10. Just as identification of the level of demand for the (unspecified) hour of year with highest demand does not allow others to identify the hour of the year with the highest demand, this information does not allow others to identify when any other hours of high demand will occur.

CONCLUSIONS OF LAW

1. The Public Records Act was intended to safeguard the accountability of government to the public and should be construed broadly in favor of access. In addition, there is a strong public interest in having the information underlying such policy decision-making accessible to the public and interested parties, rather than using a "black box" process not subject to public discussion or critique. Thus, the Commission must critically assess the general claim that information used in this process is a "trade secret" that derives economic value from not being made public.
2. Forms 1.3, 1.4, 1.5, 1.6, and 2.3 submitted by SDG&E on February 1, 2005 in response to the Commission's November 3, 2004 Order Adopting Demand Forecast and Price Information Forms and Instructions are public records.
3. The Commission may withhold the records from disclosure if it finds that the records derive independent economic value, actual or potential, from not being generally known to the public or to other persons who can obtain economic value from their disclosure or use, and are the subject of efforts that are reasonable under the circumstances to maintain their secrecy, or if the Commission finds on the facts of the particular case that the public interest served by not disclosing the records clearly outweighs the public interest served by disclosure of the records (including finding that the competitive advantage accruing to SDG&E from non-disclosure outweighs the public interest in a transparent energy policy development process).
4. Because annual peak demand forecast data on Forms 1.3 and Form 1.4, and the data on "1-in-2" temperatures on Form 1.5 are single annual numbers whose disclosure does not allow anyone to calculate when the hour of highest demand will occur, nor what SDG&E's actual energy needs during that hour or any other hours will be, and because the value to SDG&E of electricity products does not depend solely on the supply-demand gap during the single hour of the year with the highest demand, SDG&E has not made a reasonable argument that these data are a trade secret, or that the public interest in non-disclosure is outweighed by the public interest in disclosure.

5. This proceeding has been conducted in conformity with applicable provisions of the Commission's regulations governing disclosure of information, the requirements of the Integrated Energy Policy Report, and the provisions of the Public Records Act.

ORDER

Therefore, the Commission ORDERS the following:

1. The Commission upholds the Executive Director's decision dated March 3, 2005, granting in part and denying in part SDG&E's application for confidentiality.
2. The peak demand forecast data on Electricity Demand Forecast Forms 1.3 and 1.4, and the "1-in-2" column of Electricity Demand Forecast Form 1.5 filed by SDG&E on February 1, 2005, are public, but shall not be available for inspection or copying for a period of fourteen days from the issuance of this order. (Cal. Code Regs., tit. 20, § 2505, subd. (a)(3)(C).)

Date: April 13, 2005

STATE ENERGY RESOURCES
CONSERVATION AND
DEVELOPMENT COMMISSION

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Vice Chair


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Commissioner


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Commissioner

Appendix A

DEFINITIONS

Load-serving Entities (LSEs)

These are entities that sell electrical energy at retail to customers within California. They include investor-owned utilities (further defined below), municipal utilities, energy service providers (further defined below), irrigation districts, rural electric cooperatives and a few other entities that serve a small number of retail customers. The following entities are identified in the Order to which this Appendix is attached:

Investor-owned utilities (IOUs) – San Diego Gas and Electric Company, Pacific Gas and Electric Company, and Southern California Edison Company, who operate as monopolies regulated by the California Public Utilities Commission.

Energy Service Providers (ESPs) - private business entities that sell electricity in California subject to the provisions of Public Utilities Code, section 394 et seq.

Distribution Utilities

These are entities that own and operate the lower voltage wires and transmission equipment that carry electrical energy from substations to retail customers in a franchise service area. IOUs are distribution utilities.

Peak Load (Peak Demand)

This is the highest electrical demand that an LSE experiences within a specified period of time (usually annually). For the 2005 IEPR, the Commission asked LSEs to identify maximum electrical demand for the hour of the year with the highest level of demand. LSEs meet peak demand by a variety of means – demand reduction programs, powerplants owned by the LSE, and electricity purchased by the LSE, either on a long-term or short-term basis.

Residual Net Short

This is the additional electricity resources an LSE needs to acquire to meet its retail customer electrical energy demand for any particular period of time, minus supplies already acquired to meet that demand. Residual net short is often expressed as “hourly residual net short” for a specified hour.

SUMMARY OF ADOPTED FORMS

Form 1.1 – Retail Sales of Electricity by Class or Sector

This Form asks LSEs to identify how much electricity (in gigawatt hours [GWh]) they anticipate they will sell at retail on an annual basis in the each of the years 2006 – 2016, broken down by customer class (or sector). Customer classes (sectors) are typically defined by the economic

sector of the customer --residential, commercial, industrial, agricultural, and other small categories. In addition, ESPs are asked to break down their sales totals by service territory as well (e.g., PG&E, SDG&E, etc.), as they may sell into multiple service territories.

Form 1.2 – Net Electricity for Generation Load

This Form asks distribution utilities (including IOUs) to identify how much electricity they anticipate will be needed each year of the forecast to meet demand within their service territory – including sales to the IOU’s own customers as well as sales from other entities to non-IOU customers within the IOU service territory. The total amount of electricity needed to meet demand within a service territory includes electricity consumed by IOU customers (Form 1.1), electricity consumed by non-IOU customers, and the amount of energy lost in the transmission and distribution process.

Form 1.3 – LSE Coincident Peak Demand by Sector

This Form asks LSEs to identify hourly demand during the hour of the year with the highest total demand for all customer classes (or sectors) that they serve, by customer class (or sector). The total represents the highest amount of energy that the LSE will need to meet its customers’ needs during the single hour of the year with the highest demand plus the amount of energy lost in the transmission and distribution process.

Form 1.4 – Distribution Area Peak Demand

This Form asks distribution utilities (including IOUs) to forecast the peak demand for its service territory, which consists of the level of demand during the single hour of the year with the highest demand. However, unlike, Form 1.3, Form 1.4 asks the utility to include demand from all customers within its service territory, not just demand from its own customers.

Form 1.5 – Peak Weather Scenarios

This Form asks distribution utilities (including IOUs) to provide demand for the single hour of the year with the highest demand under 4 different temperature scenarios - those that can be expected to occur once in every two years, every 5 years, every 10 years, and every 20 years.

Form 1.6 – LSE Hourly Load

The Form asks LSEs to identify how much energy they will need to provide for their customers for each hour of the 16-year forecast period.

Form 1.7 – Local Private Supply by Sector

This Form asks distribution utilities (including IOUs) to forecast the amount of their customer demand that will be met by non-utility-owned generation, such as customer-owned generation located on the customer’s premises.

Form 2.1 – Economic and Demographic Inputs

This Form asks distribution utilities (including IOUs) to document the statewide and national economic and demographic projections used to develop their forecasts.

Form 2.2 – Planning Area Assumptions

This Form asks all LSEs to document the local economic and demographic projections used to develop their forecasts.

Form 2.3 – Electricity Rate Forecast and Natural Gas Price Forecast

This Form asks all LSEs to identify projected energy prices they used in developing their annual peak and energy forecast for each of the customer classes (or sectors).

Form 2.4 – Customer Count and Other Forecasting Inputs

This Form asks all LSEs to identify the number of customers by customer class (or sector).

Form 4 – Demand Forecast Methods and Models

This Form asks all LSEs to document the methods and models used to develop the forecasts identified on Forms 1.1 – 3.4.

Form 6 – Uncertainty Analysis

This Form asks all LSEs to identify which uncertainties it considers most relevant to its forecasts, as well as the impacts these uncertainties could have on its forecasts. LSEs are asked to quantify the impacts of the most significant uncertainties.